

Minutes  
Catawba County Board of Commissioners  
Regular Session, Thursday, June 5, 2003, 7:00 p.m.

**Awards**

Carolina Star Award from Department of Labor to LGM Limited in Maiden, NC	46	06/05/03
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**Budget**

FY 2003-04 Budget Public Hearing and Wrap-up	46	06/05/03
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**Guests**

Ron Deal, NC State Board of Education Member	46	06/05/03
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**Public Hearing**

FY 2003-04 Budget Public Hearing and Wrap-up Session	46	06/05/03
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The Catawba County Board of Commissioners met in special session on Thursday, June 5, 2003, 7:00 p.m., at the 1924 Courthouse, Robert E. Hibbitts Meeting Room, 30 North College Avenue, Newton, North Carolina. The purpose of the special meeting was for the FY 2003-2004 Budget Public Hearing and Wrap-up.

Present were Chair Katherine W. Barnes, Vice-Chairman Dan A. Hunsucker, Commissioners Glenn E. Barger, Barbara G. Beatty, and Lynn M. Lail.

A quorum was present.

Also present were County Manager/Deputy Clerk J. Thomas Lundy, Assistant County Manager Mick W. Berry, Budget Manager Judy V. Ikerd, County Attorney Robert Oren Eades, Staff Attorney Debra Bechtel, and County Clerk Thelda B. Rhoney.

1. Chair Barnes called the meeting to order at 7:00 p.m. She said the purpose of the special meeting was for the FY 2003-2004 Budget Public Hearing and Wrap-up.
  - a. Carolina Star Award.

Chair Barnes said LGM Limited in Maiden, NC was one of 57 Corporations in the State of North Carolina to receive the Carolina Star Award from the Department of Labor for having exemplary safety programs.
  - b. Special Guests:

Chair Barnes recognized Mr. Ron Deal, NC State Board of Education Member.
2. Invocation offered by Commissioner Hunsucker.
3. Fiscal Year 2003-2004 Budget Public Hearing and Wrap-up.

Chair Barnes opened the public hearing by saying this was the time and place as advertised for the public hearing and asked if anyone wished to speak either for or against. She requested the citizens state their names and addresses.

Ralph Adcock, Hickory, requested that the Board consider increasing the budget for a full-time Veterans Service Officer to better address the needs of 13,000 plus veterans in Catawba County. He said the Veterans Administration currently pays over \$12 million per year in benefits to the veterans in Catawba County.

Tom Brown, Maiden, parent, grandparent, teacher, and coach said the Maiden residents are very excited about a new high school. He thanked the Board for having the proposed high school in the budget.

Mike Johnson, representing the Catawba County Chamber of Commerce, said education was the cornerstone for any type of economic development in Catawba County. He said no major corporation would bring jobs to this county if we do not provide their employees with a proper and a fundamental education. He said we need to retrain the existing workforce that has been displaced in jobs. He requested that the Board not forgo the importance of an education agenda.

Bryan Derreberry, President/CEO Catawba County Chamber of Commerce spoke at length about the proposed budget. Mr. Derreberry said the Comprehensive Economic Development Strategy (CEDS) now called Future Forward, Priority One, FORESIGHT Committee, Appalachian Regional Development Institute Educational Needs Assessment for the Hickory-Lenoir-Morganton MSA, and a host of other sources have all given definitive guidance on what we need to be doing to create and maintain a prosperous and successful 21st Century region. He said the results of the combined studies give a clear picture of the necessary building blocks of long-term economic development. Regions that make consistent and long-term investments in their K-12 education system, progressive institutions of higher learning, good highways and roads, and 21st Century driven research and development will be the most economically prosperous communities in the years ahead. The business members support the validity of these conclusions. The Chamber supports the addition of a non-manufacturing recruiter in the Catawba County Economic Development Corporation. BioTechnology and BioManufacturing are two new arenas that need to be embraced and recruited heavily. They are sensitive to the negative affects a tax increase can have on businesses and general populace. He reviewed proposed budget figures and said we could break even at a reduction of 1 cent, or 48.5 cents per \$100 of value and still accomplish all that the budget seeks to do. He recommended that the Board of Commissioners continue its relentless pursuit of ways to save money, conserve resources and reduce the burden we place on each other as tax-paying citizens. He said they realize there is not growth without investment, no success without risk and no accomplishment without hard work and sacrifice. He said we must excel in education and we need to make every investment we can in a well-developed and coordinated approach to economic development.

Christi Sims, Newton, said she assisted in the organization of Catawba County Citizens for Equal Education. The residents of Maiden are supportive of a new high school and she submitted a petition of support containing 850 signatures petitions. She said Catawba County Public School Forum reports that Catawba County ranks 21 out of 100 counties with the ability to fund schools and the County ranks 79 out of 100 in its effort to fund schools. She requested that the Board support the budget for the planning and the construction of a new Maiden High School.

Sheriff L. David Huffman thanked the Veterans. He said the School Superintendents have the best interest of the children at heart. He complimented the Board of Commissioners and County staff. He said the jail is overcrowded like the schools. He said the Board has had a hard time due to State taking money that belonged to the County. He commented on electronic house arrest, REPAY and pre trial release which have been patchwork alternatives to more jail space. He reviewed the positive impact of sharing a jail facility with Burke County at the Burke Catawba District Confinement Facility (DCF). He said jail capacity is growing tremendously and the County is in need of additional jail space. The County should have added jail space eight years ago.

Commissioner Lail requested that Sheriff Huffman provide the Board with numbers on comparable size counties in the state and their capacity of jails and the average daily census. He said he would provide the information to the Board.

Corky Upchurch, Conover, said education is necessary for economic growth and vitality of the County and for the quality of life and the ability to compete. He appreciated the allocation for schools. He said approximately a year ago he stood before the Board as a representative of the Citizens Advisory Council for School Facilities and presented a report of the study. The report was accurate, undeniable and pointed out that many of our schools were presently inadequate, overcrowded, inefficient, and outdated. Those problems will not go away and he commended the Board for allocating a significant portion of the budget for school improvement and school facilities.

Tracy Warlick, Hickory, said he also sat on the Citizens Advisory Council for School Facilities and we need schools. Money is cheaper now with the low interest rates and he recommended borrowing the money to finance schools. He said we have more empty homes in Catawba County now than we have ever had. Catawba County need jobs and school facilities.

Kelly Poovey said he was speaking in support of the budget, especially for a new Maiden High School. He said the proposed budget will be looked at in years to come as the foundation for the rebirth of economic development in this county. He believes the budget addresses the school system's neglect of previous years.

Gloria Hemphill, Hickory, thanked the Board of Commissioners for its support of education in the County. The Hickory City Board of Education fully supports the intention of keeping the tax rate and not a lower rate. Ms. Hemphill shared a letter from Ms. Ellen Sigmon, Southwest Elementary School PTA President. "Over the years almost every bill we pay goes up, insurance goes up, power and gas bills go up, groceries cost more, clothing and other items go up, cost of housing and transportation increases. We should not expect that our taxes should never go up when our property values increase every year. Out of 100 NC counties, 89 have higher tax rates than Catawba County. The cost of goods and services to run the county and school employees go up every year. The cost of keeping good employees in our county offices and schools increase every year. School systems and several of county agencies have had to deal with severe cutbacks in the past several years. Often teachers use their own money to purchase supplies for the classroom which they cannot afford. School issues need to be addressed." She urged the Board not to lower the tax rate in order to make an investment in the children and the county.

Reverend Jeff Clark, Maiden, said there is a lot of excitement from the old to young in Maiden about the new Maiden High School. He thanked the board for a courageous budget.

Hankel David Hollar, 16 North in Conover, said his tax rate is too high and he recommended money be given to the veterans instead of immigrants.

Wayne Thomas, Staff Sergeant US Air Force, Retired, encouraged the Board to increase the Veterans Service Officer to a full-time position. He said retired military have skills for jobs and many of them are interested in starting small businesses.

There being no one else wishing to speak, Chair Barnes closed the public hearing.

Chair Barnes requested that County Manager J. Thomas Lundy review the budget proposal.

Mr. Lundy said the following four items were requested to be added to the proposed budget:

1. Newton-Conover Schools, requested an additional \$70,000 for Americans with Disabilities Act (ADA) for Conover School, From Schools' Capital Fund Balance. The recommended budget includes \$126,000 to complete a major roofing project at the high school. Roofing funds for another section of the school were included in the current budget bringing the total project to \$244,000. Bids received this week were lower than anticipated, freeing up \$30,000 that could be used for ADA projects. Though the original request was for \$70,000 Superintendent Will Crawford has said that \$30,000 would fund the most critical needs at Conover School.

Manager's Recommendation: Change the Schools' Capital Projects budget to reflect \$96,000 for roofing at the high school and \$30,000 for ADA (\$30,000 from Roofing Project; +\$30,000 to ADA Conover Schools).

Commissioner Barger made a motion to transfer the aforementioned funds as recommended by County Manager Lundy and Superintendent Crawford. The motion carried unanimously.

2. Hickory Rescue Squads, Request for \$30,000 to fund full-time position.

Hickory Rescue requested \$30,000 from the County General Fund to continue funding a full-time position. As part of budget deliberations, the Rescue Association voted to use the \$26,000 that is allocated to Hickory for a full-time position to fund half the Rescue Coordinator position that works with all six squads. Hickory's position does administrative work and maintains vehicles and responds to emergency calls in the City limits of Hickory and areas close to the Hickory rescue base #1. Hickory Rescue responded to 714 medical calls in the city limits in the past year. Hickory Fire Department also responds to emergency medical calls in the city limits and ran 2,161 calls in the past year. Hickory rescue has a large response area outside of the city limits. The Medical First Responder program has sought to improve response particularly in the rural area where Hickory Fire does not respond. Hickory Rescue's response time outside of the city limits is 7:34 minutes and 157 calls have been missed in the past year. Both of these figures are outside the 6 minute and 100% response goals.

Manager's Recommendation: Have the Rescue Coordinator study the Hickory Rescue Squad response issues inside and outside the city limits of Hickory and prepare a recommendations by July 1. If the report says we need to provide more money, the Board can take action at that time with a budget amendment or the Rescue Squad Association could use some of its fund balance.

3. Juvenile Crime Prevention Council.

Mr. Lundy said Don Posey, representing the JCPC, requested that the Board approve the funding plan submitted by the JCPC that includes \$5,000 for family therapy through the Family Guidance Center. Mr. Posey indicated changing the recommendation could compromise the RFP process. The BOC subcommittee recommended that \$5,000 be added to Mental Health's program agreement with JCPC for psychological services and that the program agreement be expanded to include outcomes for family counseling.

Manager's Recommendation: The Staff Attorney advised that if the BOC changes the funding recommendations of the JCPC, the RFP process is not compromised. The RFP is not controlled by any formal bidding requirements by North Carolina Statutes. Funds may be distributed in any manner deemed appropriate by the County. Stacie Porter, JCPC Administrative Assistant, was not aware of a problem with the RFP process. Mr. Lundy recommended adding \$5,000 to Mental Health's program agreement.

After a brief discussion, Commissioner Hunsucker requested that Mental Health Director John Hardy address the issue.

Mr. Hardy said the JCPC wants to do more preventative issues but it has not yet identified the preventive mode. Only the court process has been identified. When a juvenile is arrested the issue is what can be done with the child and family to move toward a positive resolution. Mr. Hardy said he would support the County Manager's recommendation.

Commissioner Barger said he had talked with several JCPC members and one of the goals was to solicit more participation with a small amount of money. They spent the time inviting community agencies and schooled them on the RFP process and decided to take a small amount of money from Corner House, operated through Social Services, and even a small amount of money taken away in these economic times can contribute to a significant amount. He said he appreciates what Mental Health does and the services they provide and he had difficulty in overruling the subcommittee. He said he could not support the recommendation from subcommittee.

Commissioner Hunsucker said sometimes a dollar spent in Mental Health could return as much as a \$5 return with their resources and he supported the recommendation to put the \$5,000 with Mental Health.

Commissioner Lail said she concurred with Commissioner Hunsucker.

The Board briefly discussed the concerns expressed by Commissioner Barger but left the recommended budget for JCPC unchanged.

4. Building services merger. The Budget recommended 10 of 11 staff from the City of Hickory paid for by building permit fees. He requested that the Board reinstate a clerical position that is not in the budget. There are also two vehicles from the City and they come with vehicle maintenance and gas, etc. He requested \$40,000 to be funded by fees.

Commissioner Lail made a motion to add the clerical position and auto expenses and miscellaneous expenses in the amount of \$40,000. The motion carried unanimously.

Chair Barnes said the County Manager's recommendation was to maintain a rate of 49.5 cents; 2 cents would be allocated to school construction for debt services the next four years; 1 1/2 cents for Medicaid increases; and 1/2 cent for provide debt service to enlarge the jail.

Commissioner Lail said she understood there would be some relief in the Medicaid arena.

Chair Barnes requested that Social Services Director Bobby K. Boyd update the Board.

Mr. Boyd said information was just received from the NCACC that we may receive one-time money in the amount of \$400,000 - \$500,000 to expire July 1, 2004. He said he would be reluctant to spend the money before he had it in hand and we knew exactly how the funds would be disbursed. He said Medicaid expenses depended on Congressional and General Assembly action as well as the economy. He said there are 16,500 Catawba County citizens who are getting medical attention from surgeries to well baby care to premature births. Medicaid is also a supplement in retirement to help pay medical expenses that Medicare doesn't cover and it is also a supplement to businesses who pay low wages without any medical benefits.

Mr. Lundy briefly explained how staff arrived at the Medicaid projections over a four-year revaluation cycle.

Commissioner Hunsucker said he had received calls from citizens that didn't want to see the tax rate remain the same but dropped to the 45 1/2 cent revenue neutral rate. Medicaid is not going away. The jail is a project that must be funded in order to avoid problems in the future. He proposed a compromise between the 49 1/2 and the revenue neutral rate of 45 1/2 and recommended that the tax rate be set at 48 cents, taking 1 cent from the water and sewer fund and the equivalent of 1/2 cent from school operating funds. He said that would still leave room for economic development.

Commissioner Lail said she would like to see the 1/2 cent come from another source rather than restored funding to the schools.

Commissioner Barger said he was in favor of leaving the school capital at the 2 cents level. Interest rates are at an all time low. He believes it would be a sound investment to proceed with the capital projects, jail included, with the low interest rates and attractive market for competitive bids. He said the library facility at CVCC is an accreditation issue with Southern Association. We need to be competitive with other community colleges. We need maintain and recruit other business and industries. Commissioner Barger said Medicaid cases are up 32 percent, over 16,478 cases as compared to 12,000 cases two years ago. The food stamp program has increased by 82 percent due to unemployment, and we have a 12 percent increase in jail population. The demands on County departments have increased and businesses would have expanded with such increases. He commended the employees for maintaining quality services for the citizens with a decrease in County personnel.

Chair Barnes said she agreed with maintaining the proposed 2 cents for capital projects for schools and 1/2 cent for a jail.

The Board discussed at length the school budget issues.

Mr. Lundy reviewed the school systems and community college budget projections. He said the 2 cents proposed for school debt was designed to build a new Maiden High School and refurbish the old Maiden High School, convert Tuttle Middle, construct a Hickory Middle School, and perhaps the third year have funds for an elementary school for the county school system as well as a library for CVCC as part of its accreditation. For 1 1/2 cent the Board could recommend the Maiden projects and the Hickory Middle School but would not have funds for the other projects.

Commissioner Lail said you have to grow the private sector in order to grow the public sector. She reviewed the top six employers in Catawba County with only one of the six being a private sector organization.

Mr. Lundy reviewed the proposed new positions in the budget as well as reductions in Mental Health.

Commissioner Beatty said the economic conditions in Catawba County are the worst in 50 years and many workers are not being recalled. The County needs to look at economic development and urban renewal and what others are offering. The market is competitive and attracting economic development in the future may be costly to our future tax base in Catawba County. She had concerns of increasing taxes when citizens and businesses were suffering.

Commissioner Lail said she agreed with Commissioner Beatty that this is the worst economy she has ever seen in Catawba County and has heard it from a number of business people. She believes we are going to have to do some proactive things to jump start economic development. She mentioned setting aside money to buy property for the development of a high tech business park. She said she would consider taking another 1/2 cent from the water and sewer fund to be applied for economic development for this coming year.

The Board discussed economic development at length.

Mr. Lundy said the \$350,000, which is shown in the budget for future capital needs, could be earmarked or be available for economic development, capital needs, water and sewer, or whatever the Board saw fit to put the money towards. Mr. Lundy said the budget is a plan. The Board could recommend other ways to jumpstart the economy in terms of economic development.

Mr. Lundy reviewed the County's Fund Balance and said it has been less than other urban counties, and staff has been conservative the past couple of years to build up the Fund Balance. He said the Fund Balance is approximately 16.7 percent, about two months worth of operating expenses, which is slightly below the average of other urban counties.

Commissioner Lail recommended that the Fund Balance remain as high as possible.

**After a lengthy discussion, Commissioner Hunsucker made a motion to set the property tax rate at 48 cents for the next fiscal year, take 1 cent from the water and sewer fund, and take the equivalent of 1/2 cent from school operating funds in order to move forward with the recommended budget, and to earmark \$350,000 for economic development.**

Chair Barnes said an average home in Catawba County cost \$135,000 and that would be a tax increase of \$33.75.

Commissioner Lail said she recognized there is a need for capital improvement projects and she had concerns about an increase in the tax rate for homeowners and businesses.

Chair Barnes said her calls were pro maintaining the rate. She thinks the tax rate of 48 cents is fair. She called for the vote by a show of hands.

**Voting aye: Barnes, Barger, Hunsucker**

**Voting nay: Beatty, Lail**

**Chair Barnes said the motion carried for a tax rate of 48 cents for the next fiscal year, taking 1 cent from the existing water and sewer fund, and taking the equivalent of 1/2 cent from school current expense and earmarking \$350,000 for economic development opportunities.**

4. Adjournment.

At 9:25 p.m. there being no further business to come before the Board, Chair Barnes made a motion to adjourn. The motion carried unanimously.

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Katherine W. Barnes  
Chair, Board of Commissioners

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Thelda B. Rhoney  
County Clerk